

Hearing Date: November 8, 2007 at 10:00 a.m.
Objection Deadline: November 2, 2007 at 4:00 p.m.

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Bankruptcy Counsel to Lead Plaintiffs and the Class

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

	:	Chapter 11
In re:	:	
DELPHI CORPORATION, et al.,	:	Case No. 05-44481 (RDD)
	:	
Debtors.	:	(Jointly Administered)
	:	
	:	

**LEAD PLAINTIFFS' SUPPLEMENTAL RESPONSE TO DEBTORS' MOTION
FOR ORDER APPROVING (I) DISCLOSURE STATEMENT, (II) RECORD
DATE, VOTING DEADLINE, AND PROCEDURES FOR TEMPORARY
ALLOWANCE OF CERTAIN CLAIMS, (III) HEARING DATE TO CONSIDER
CONFIRMATION OF PLAN, (IV) PROCEDURES FOR FILING OBJECTIONS
TO PLAN, (V) SOLICITATION PROCEDURES FOR VOTING ON PLAN, (VI)
CURE CLAIM PROCEDURES, (VII) PROCEDURES FOR RESOLVING
DISPUTES RELATING TO POSTPETITION INTEREST, AND (VIII)
RECLAMATION CLAIM PROCEDURES**

Teachers' Retirement System Of Oklahoma, Public Employees'
Retirement System Of Mississippi, Raiffeisen Kapitalanlage-Gesellschaft m.b.H. and
Stichting Pensioenfonds ABP, the Court-appointed Lead Plaintiffs (the "Lead Plaintiffs")¹

¹ Unless otherwise defined herein, all capitalized terms shall have the meanings ascribed to them in the October 29, 2007 versions of the Debtors' disclosure statement (the "Disclosure Statement") and plan of reorganization (the "Plan").

in the consolidated securities class action entitled *In re Delphi Corp. Securities Litigation*, Master Case No. 05-md-1725 (GER) (E.D.Mich.) (the “Securities Litigation”), respectfully submit this Supplemental Response (the “Supplemental Response”)² to the Debtors’ Motion For Order Approving (i) Disclosure Statement, (ii) Record Date, Voting Deadline, and Procedures for Temporary Allowance of Certain Claims, (iii) Hearing Date to Consider Confirmation of Plan, (iv) Procedures for Filing Objections to Plan, (v) Solicitation Procedures for Voting on Plan, (vi) Cure Claim Procedures, (vii) Procedures for Resolving Disputes Relating to Postpetition Interest, and (viii) Reclamation Claim Procedures (the “Solicitation Procedures Motion”). In support of this Supplemental Response, Lead Plaintiffs respectfully state as follows:

RELEVANT BACKGROUND

1. On October 8 and 14, 2007 (collectively, the “Petition Date”), the Debtors filed voluntary petitions for relief pursuant to chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

2. Lead Plaintiffs are, and represent, creditors, equity holders and parties-in-interest in the Debtors’ chapter 11 cases. Lead Plaintiffs and the putative class suffered damages substantially in excess of \$1 billion as a result of their purchases of certain of the Debtors’ common stock and debt securities between March 7, 2000 and March 3, 2005 (the “Class Period”). These damages were caused by the Debtors, certain of their current and/or former directors and officers and others in the context of the concealment and misrepresentation of the true financial condition of the Debtors before and during the Class Period.

² On October 1, 2007, Lead Plaintiffs timely filed a response to the Solicitation Procedures Motion. *See* Docket No. 10398.

3. Over the course of several months in 2007, Lead Plaintiffs, the Debtors and other parties to the Securities Litigation and this chapter 11 proceeding, with the assistance of a special master appointed by the United States District Court for the Eastern District of Michigan (the “District Court”), conducted discussions and negotiations regarding a settlement of the Securities Litigation. On August 31, 2007, those discussions resulted in an agreement resolving the Securities Litigation as to the Debtors and certain other defendants. On August 31, 2007, the proposed settlement (the “Securities Settlement”) was submitted to the District Court for preliminary approval and for scheduling a final fairness hearing. On September 5, 2007, the District Court granted preliminary approval of the proposed settlement, and scheduled a final fairness hearing for November 13, 2007.

4. The proposed settlement is subject to the approval of this Court. On September 7, 2007, the Debtors filed a motion seeking approval of the proposed settlement pursuant to, *inter alia*, Rule 9019 of the Federal Rules of Bankruptcy Procedure (the “Rule 9019 Motion”). Since the filing of the 9019 Motion, the Debtors with the consent of Lead Plaintiffs and other stakeholders in this chapter 11 proceeding, determined to seek approval of the proposed settlement in two steps. The first step entailed obtaining preliminary approval of the Securities Settlement, class certification and the means for soliciting the votes of class members. On October 25, 2007, the Court granted such preliminary approval. An order preliminarily approving the Securities Settlement was entered on October 29, 2007. The Securities Settlement is also subject to final approval by the Court to be heard at the same time and in connection with confirmation of the Debtors’ plan of reorganization.

5. Contemporaneously with resolving the Securities Litigation, the Debtors prepared their Disclosure Statement and Plan. Lead Plaintiffs provided the Debtors with numerous comments to the Disclosure Statement and Plan, several of which were

incorporated into the Disclosure Statement and Plan that were filed with the Court on September 6, 2007.

6. On October 3, 2007, the original return date of the Solicitation Procedures Motion, the Debtors adjourned the hearing to October 25, 2007. On October 19, 2007, at the Debtors' request, the Court entered a supplemental order (the "Supplemental Order"), *inter alia*, further adjourning the hearing on the Solicitation Procedures Motion to November 8, 2007. The Court's October 19, 2007 order reserved Lead Plaintiffs' right to file this Supplemental Response.

7. On October 29, 2007, pursuant to the Supplemental Order the Debtors filed revisions to the Disclosure Statement and Plan. These revisions, among other things, modify the Plan currency that will be utilized to satisfy Lead Plaintiffs' \$204 million allowed claim, which is the consideration to be provided by the Debtors in connection with the Securities Settlement. Under the revised Plan, this claim, upon the required final approval by this Court and the District Court, will now be satisfied with shares of New Common Stock of the Reorganized Debtors and rights to participate in a Discount Rights Offering.

8. Since October 3, 2007, Lead Plaintiffs have continued to discuss their concerns with the Disclosure Statement and Plan with the Debtors, and have raised certain additional issues based upon the revisions contained in the October 29, 2007 versions of the Disclosure Statement and Plan.

RESPONSE AND RESERVATION OF RIGHTS

9. To the extent any issue, in whole or in part, contained herein is deemed to be an objection to confirmation of the Plan rather than, or in addition to, an objection to the adequacy of the Disclosure Statement, Lead Plaintiffs reserve their rights to assert such objection, as well as other objections, to confirmation of the Plan.

10. The current versions of the Disclosure Statement and Plan address many of Lead Plaintiffs' concerns, but not all of them. The Debtors previously agreed to make several revisions to the Disclosure Statement and Plan requested by Lead Plaintiffs. These revisions were, for the most part, intended to insure consistency between the Disclosure Statement and Plan and the Stipulation of Settlement resolving the Securities Litigation. The parties have not yet been able to reach agreement on two of Lead Plaintiffs' proposed revisions to the Disclosure Statement and Plan involving third party releases and certain conditions to the effectiveness of the Plan. Counsel for Lead Plaintiffs has provided Debtors' counsel with suggested language which would resolve the foregoing issues. Debtors' counsel has yet to respond to the suggested language.

11. Moreover, counsel for Lead Plaintiffs and the Debtors have discussed several language changes that Lead Plaintiffs have proposed with respect to the October 29, 2007 versions of the Disclosure Statement and Plan relating to the Securities Settlement and suggested language has been provided. Discussions among the parties are continuing and Lead Plaintiffs are hopeful that all of their concerns with the Disclosure Statement will be resolved by consent before the November 8, 2007 hearing or any subsequent adjourned date for the hearing to approve the Disclosure Statement.

12. To the extent Lead Plaintiffs' outstanding concerns with the Disclosure Statement are not resolved on or prior to the hearing on November 8, 2007 or any adjourned date, Lead Plaintiffs reserve the right to raise any and all remaining objections to the Disclosure Statement at the hearing. Lead Plaintiffs also reserve their rights with respect to any revisions to the Disclosure Statement or Plan to the extent such revisions have not been previously provided to counsel for Lead Plaintiffs and agreed to by Lead Plaintiffs.

[SIGNATURES APPEAR ON NEXT PAGE]

Dated: November 2, 2007
New York, New York

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